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Malaysia

Exporter Guide

Annual

2003

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Report Highlights:

The Malaysian economy is expected to register a growth rate of 5.5%-6.0% in 2004 from an estimated 4.5% in 2003. Tariffs are low for most imported products, ranging from 0-20%. New retail outlets, which are good venues for imported products, are continuing to open, providing better access to consumers.

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SECTION I. MARKET OVERVIEW

Malaysia with a population of around 24.5 million people is one of the most developed nations in Southeast Asia. About 61% of its population makes up the middle to upper income group of consumers. Its economy has a firm foundation in a mixed economy that comprises strong, manufacturing, service and agricultural sector. The Malaysian economy is estimated to grow at 4.5 percent in 2003 and forecasted to grow between 5.5 percent and 6 percent in 2004.

The Malaysian government has instituted several regulatory measures through its many price stabilization programs including controlling the prices of essential food items to curb inflation. Inflation in 2002 was at 1.8 percent. Malaysia is politically and economically stable and open to foreign trade. Transportation, communications, banking and health services are modern and efficient.

The Malaysian food and beverage market is becoming increasingly sophisticated supplied by both local and imported products. The strong economic growth in the late 80's and early 90's has contributed to major changes in consumer purchases and consumption patterns. Malaysians living in urban areas are relatively brand conscious, and they prefer to shop in stores, which offer them convenience and good product selections.

Trade sources estimate the total retail sales, including non-food products, to be around \$12.1 billion in 2002, excluding wet market, morning market, night market and other non-permanent retail facilities which can account for a very large proportion of food sales in Malaysia. Trade sources estimate that they may form as much as 50% of total food and beverage sales in Malaysia.

Advantages and Challenges for U.S. Suppliers

Advantages	Challenges
GDP for 2004 is projected at 5.5%-6.0%.	The Muslim population does not consume non-halal products. This prohibits the country's demand for non-halal products from foreign sources.
More than 36% of the population is less than 15 years of age. The majority of them is expected to participate in tomorrow's consumer market, or is already participating today.	Malaysian consumers are price-sensitive. US products are not always price-competitive when compared to local products and imports from other neighboring countries.
The Malaysian market for imported food and beverages continues to be liberalized. Tariffs are low for most products, ranging from 0-20%.	US products face strong competition from Australia, New Zealand and China.

New retail outlets are continuing to open, providing better access to consumers on a nationwide basis. These businesses are looking for new imported products for their retail outlets.	Strong local brands that have foreign origins, e.g., Nestle, Walls ice cream, Coca-Cola command strong positions in their market segments.
The food processing sector's active involvement in R&D activities and constant new production introductions create new demands for new ingredient types.	Dominance of domestic suppliers in edible oil, poultry, pineapple and cocoa.
New concept food service outlets such as modern café and lifestyle restaurants attract the younger urban dwellers from the middle to higher income group.	Price sensitivity of consumers directly affects the sector's buyers and their suppliers, e.g. importers and distributors.

SECTION II. EXPORTER BUSINESS TIPS

Business Customs

Malaysians are accustomed to doing business with foreigners and readily accommodate foreign business manners. Younger businessmen are prepared to start new business relationships with foreign companies without the advantage of a personal meeting. These businessmen also prefer to communicate with foreign suppliers electronically.

Prior to initiating any export sales to Malaysia, it would be advantageous to conduct a market survey with particular reference to the competitive environment. It is common for foreign exporters to appoint a local sales agent / importer to distribute their goods, expedite clearance of goods from ports and draw on existing networks of wholesalers and retailers. Regular visits by U.S. exporters to the market are also critical to enhance business relationships.

General Consumer Tastes and Preferences

Malaysia is a multiracial society consisting of three major races. The Malays account for 60% of the population, with Islam as the official religion; slightly more than 30% of Malaysians are Chinese who may be Buddhist or Christian. Indians form the remaining 10% of the population and they are largely Hindus.

Lunch and dinner meals consist mainly of rice together with two or three meats/fish and vegetable dishes that are prepared according to the styles and tradition of various communities. The Malays and Indians prepare their dishes with hot spices while Chinese prefer to stir-fry. Religious affiliation affects food consumption in Malaysia. Muslims do not eat pork, and only eat meat products that have been certified halal, and many Buddhists and Hindus do not eat beef. Thus, halal chicken meat is popular among all consumers.

Food Standards and Regulations

Malaysian health and food labeling requirements are fairly liberal. The labeling requirements specify that imported and domestically produced processed food items must be labeled in English or Bahasa Malaysia. Labels must contain the following information:

- An appropriate description of the product;
- A list of ingredients in descending order of proportion by weight;
- if the item contains any animal product, a statement as to the presence of such animal products (beef, pork, lard, gelatins, etc.);
- if the item contains any alcohol, a statement as to the presence of alcohol;
- the minimum net weight of the product; in the case of a product packed in liquid, the minimum drained weight of the food;
- the name and address of the manufacturer;
- the name and address of the importer (this can be affixed at the time of import);
- a statement of shelf life or expiry dates.

Certain food additives, preservatives, and artificial colorings approved for use in the United States may not be permitted in Malaysia. In addition, products with labels that include phrases such as “Contains No palm Oil” or “Contains No Tropical Oils” will not be allowed for import. (Please see FAIRS Report (MY2039) for more detailed information on the labeling requirements and allowable ingredients and preservatives for packaged foods sold in retail outlets).

General Import and Inspection Procedures

All food consignments are subject to random checking and sampling at 28 entry points all over the country to ensure food items imported into the country are safe and comply with the prescribed standards and regulations. All meat, poultry and dairy product shipments must be accompanied by appropriate USDA documentation. All beef and poultry products must be certified halal and the products must originate from slaughterhouses that have been inspected and approved by the Malaysian veterinary and religious authorities. (It is important to know that U.S. plants must list and show the products they intend to export to Malaysia during the inspection visits by the Malaysian veterinary and religious authority; as only products that are certified halal during the inspection visits are allowed to be imported into Malaysia). Other food items that contain any animal products must be clearly marked.

International freight forwarders normally handle documentation and other formalities with authorities at entry points. Provided all necessary documents are in order, no problems or delays should occur in clearance of goods. (Please see FAIRS Report MY2039 for more detailed information on import procedures).

SECTION III. MARKET SECTOR STRUCTURE AND TRENDS

In 2002, the total imports of consumer-oriented products to Malaysia were estimated at \$1,995 million. Total imports from the United States are estimated at \$122 million, representing 6% of the market share. Australia (15% of the market share) and New Zealand (9% of the market share) are the major competitors in the Malaysian market. New Zealand is the most favored for dairy products followed by Australia; the latter in turn is the preferred source of meat products. Imports of dairy products from New Zealand were at \$130 million while imports of the same from Australia were estimated at \$85 million.

India is the leading supplier of red meat market with total imports of \$224 million in 2002. Red meat from India caters to the mass market. Competition for US meat comes from Australia, with total imports amounted to \$36 million in 2002. New Zealand trailed behind with imports of \$29 million in the same year. Imports from US were at \$5 million.

Temperate fresh produce (fruits and vegetables) from Australia and New Zealand are also able to garner top placing due to competitive prices, lower freight costs and shorter shipping times. China is also a strong contender in this category. Oranges, mandarin oranges including tangerines, apples, grapes and pears are the main fruits imported into Malaysia. While Australia and the United States are the market leaders for oranges and grapes, China is the market leader for mandarin oranges, apples and pears. Since the US and China are in the northern hemispheres with similar seasonal periods, US exporters have to compete aggressively with Chinese exporters who can sell their produce at lower prices. However, competition is less intense with exporters in Australia and New Zealand, since they have opposite seasonal periods.

Malaysia is self-sufficient in pork and poultry (broiler/eggs) production. Chicken parts and chicken wings are imported periodically to meet the demand from local processing industry and consumers. Major suppliers of chicken parts and chicken wings are USA and Denmark.

Malaysia is a net importer of seafood products with an annual import estimated at US\$300 million in 2002. While some supply of fresh and frozen fish comes the East Coast of Peninsular Malaysia, Malaysia imports a substantial amount of fish and seafood products from Thailand (of US\$93 million) and Indonesia (\$75 million).

An increasing number of middle to high income consumers in Malaysia will continue to demand high quality imported exotic fish and seafood, especially live, and the bulk of these will be consumed in middle to high-end Chinese seafood restaurants. This sub-sector is already gearing up for the expected growth in demand by increasing the number of middle to high-end Chinese seafood restaurants in the major urban centres.

High-end specialist Chinese fish and seafood restaurants which have a demand for a wide variety of exotic live, fresh and chilled products, including lobsters (Boston, Rock), abalone, oysters, scallops, clams (Razor, Blood, Sea, Jackknife), green mussels, crabs (Snow, King, Blue Swimmer, Dungeness), prawns (Mantis), geoduck, farmed sturgeon, razor fish, turbot, grouper, sea bass, bamboo fish, coral trout and carp.

High-end western restaurants and high-end hotels which have a demand for premium fresh, chilled or frozen products, such as salmon, cod, Dover sole, halibut as well as oysters, scallops, clams, lobsters, crabs and alike. Most salmon imports (fresh/chilled, frozen and smoked) are distributed to these types of food service outlets.

Supermarkets and hypermarkets are good for fresh chilled or frozen lobsters, crabs, large prawns, mackerel, cod, salmon (included smoked), Hoki, Dori, mackerel, crab meat, mussels, scallops and clams.

Opportunities exist for US fish and seafood exporters to develop their market presence in Malaysia by supplying to these major businesses.

Distribution for consumer-ready food products

Private companies are the major entities in the food distribution system. Food importers and commissioned agents place orders with foreign suppliers and distribute to supermarkets/grocery stores and hotels in the cities and to sundry shops in the rural areas. Several of the larger supermarket chains are beginning to import directly from overseas.

Most products from the United States enter through the ports of Klang, Penang and Johor (Port of Tanjung Pelepas). Transshipment of food products through Singapore has declined with improvement in shipping facilities offered by major ports in Malaysia. The newly developed high tech Westport, situated in Port Klang has further enhanced Malaysia as a shipping hub.

Malaysia has 7 international airports, including the newly opened Kuala Lumpur International Airport (KLIA), one of the biggest and modern airports in the region. Malaysia's highway network is the backbone of the country's transport system as 90% of passenger and cargo movements are by roads. Roads link almost every town in Malaysia, and products move efficiently between cities and rural areas. Railway lines which connect the north, south, west and east coasts of Peninsular Malaysia complements the road system.

Food Retail Sector

The retail sector in Malaysia remains highly fragmented with a large number of small to medium sized players in the market. No official statistics are available on the current structure of the retail sector. Trade sources estimate that there are around 140,000 retailers and wholesalers in Malaysia, comprising shopping complexes, supermarkets, markets, specialised outlets and traditional retail shops. Trade sources estimate that there are around 20 hypermarkets, 1,500 supermarkets and minimarkets, 300 convenience stores, 2,300 petrol station stores and over 90,000 traditional food stores nationwide.

According to trade sources, over 80% of the retail establishments involved in the food and beverage trade are made up of small family-owned businesses or individual proprietors. The Table below provides trade estimates of the 2002 retail market shares by type of business.

Retail Sector Sales by Type of Business (2002)	
Store Type*	Sales (%)
Department stores, supermarkets and hypermarkets	28
Provision stores, grocery stores and alike	17
Convenience stores	11
Household, personal goods and other stores**	44
Total	100
<p>* : Excludes wet market, morning market, night market and other non-permanent retail facilities. They account for a large proportion of food sales in Malaysia.</p> <p>** : These establishments were not involved in the sale of food and beverage products.</p> <p>Source: Retail Group Malaysia</p>	

The food retail sector is made up of:

1. Modern retail stores such as supermarkets and hypermarkets, which command around 28% of the total retail sales. These stores are mainly located in the major urban centers and are continuing to grow in numbers. The Government has recently introduced new guidelines on the opening of new hypermarkets in an attempt to slow down their rapid growth and to provide some level of protection for small retailers. Trade sources indicated that this new guideline would not deter the larger retailers from opening more hypermarkets in future.

More Malaysians are shopping at these stores, particularly the affluent middle to upper income consumers, because these large retail stores offer a wide range of sophisticated food and beverage products. Their products are mainly made up of high quality, branded goods sourced from both local and overseas suppliers. These retailers are increasingly sourcing from local sources to remain price competitive today. For example, trade sources indicated that the new entrant, Tesco Stores, sources 95% of the products from local suppliers.

These modern retail stores are also introducing new and additional services within their stores such as in-store bakeries, café/food service areas and ready prepared meals to attract more customers to their stores. Trade sources comment that, as a result of this growing trend in shopping at supermarkets and hypermarkets, more such modern retail stores are expected to open in future in Malaysia.

2. Traditional stores such as provision shops, grocery shops and alike which command around 17% of the total retail sector's sales. They form the largest number of stores in Malaysia and can be found everywhere throughout Malaysia, in urban and rural areas.

The majority of Malaysians continue to shop from traditional stores, as these types of outlets are conveniently located near to their homes or places of work. These stores

sell all the commonly demanded food and beverage products, both branded and unbranded, which are familiar to the majority of consumers in Malaysia. Most of these retailers continue to source their products from local suppliers to remain price competitive.

Traditional stores still continue to command a significant share of the retail market mainly because new stores are opening in new housing developments and new townships that are appearing in the Klang Valley and along the North-South highway, particularly in the states of Selangor, Negri Sembilan, Melaka, Johor and Penang.

3. Convenience stores and petrol station stores which are still a fairly new retail store concept in Malaysia. They have around 11% of the total retail sales. These stores are mainly located in major urban centers and along the North-South Highway to capture busy customers who seek convenience. They concentrate on selling a small range of convenience foods in medium to small sized packaging, usually single serve sizes. Imported products form a small proportion of their product lines.

Convenience stores have been growing slowly in numbers in recent years due to the negative effects of the recent economic slow down. However, more petrol station stores have been opening, particularly in major urban centers and along the North-South Highway. These store Convenience stores have been growing slowly in numbers in recent years due to the negative effects of the recent economic slow down. However, more petrol station stores have been opening, particularly in major urban centers and along the North-South Highway. These store

The Table below provides an indication of the future growth rate of the retail sector by type, based on trade estimates.

Future Growth Rates of the Retail Food and Beverage Sector			
	2001	2002	2003
Supermarkets, hypermarkets, department stores	Up to 6%		
Convenience stores, patrol station stores	Less than 5%		
Traditional stores	Less than 3%		
Source: Trade estimates			

Trade sources comment that the large modern retail stores such as supermarkets and hypermarkets will continue to see the fastest growth over the next three years. The traditional stores will continue to grow but at a much slower rate compared to the large modern retail stores. Convenience stores will see a slow growth over the next three years.

Food Service Sector

The food service sector in Malaysia is highly fragmented with a large number of small to medium sized players in the market. According to trade sources, over 80% of the food service establishments are made up of small family-owned businesses or individual proprietors. This sector is expected to grow from 5%-15% in the next three years.

The Table below provides trade estimates of the structure of the food service market today.

Structure of Food Service Market (Estimated Sales of US\$ 3,813 Million)	
Full service family style restaurants	25%
Food and drinks hawker stalls	25%
Fast food restaurant chains	15%
Coffee shops	15%
Hotel and resorts	15%
Catering services	5%
Total	100%
Source: Trade estimates	

1. Hawkers provide the very foundation of the Malaysian food industry. Small food and drinks stalls serving a very limited range of local dishes at inexpensive prices, operated by proprietors or family businesses. This sector has around 25% of the total food service market. A large number of these businesses operate from temporary roadside stalls while some are located within coffee shops. Increasingly, more stalls are located in food halls in the modern shopping complexes. The majority of this sector's customers are low to middle income workers, families and students who have their breakfast, lunch or snack at food stalls on a daily basis during the working week.
2. Full service family style restaurants, operated by individual proprietors, companies or large corporations, which are estimated to have around 25% of the total food service market. They are made up of low end to high end, air-conditioned restaurant chains with waiter services included. A large number of these full service restaurants serve Asian cuisine although an increasing number specialise in serving exotic cuisine from Europe, Africa and America, particularly those located in the major cities where expatriates live. The majority of the customers consist of families from middle to high-income groups, businesspersons, tourists and affluent younger Malaysians. Most of the customers frequent this type of restaurants to dine in style and comfort and access the best and most sophisticated culinary standards in the country.
3. Local coffee shops and modern concept café that are estimated to have around 15% share of the total food service market. Coffee shops are generally low to middle end restaurants without air-conditioning or waiter services, owned by proprietors or small companies. Culinary and sometimes health standards are generally low to average with the majority offering simple local dishes for breakfast and lunch. Their menu prices are usually inexpensive, which attract the majority of the low to middle income consumers in Malaysia.

An increasing number of franchised branded cafés, such as Starbucks and Coffee Bean & Tea Leaf, have entered the sector in recent years. They are usually located in the high-end shopping centres in major cities. These cafés are very popular with the young adults as well as teenage students from the middle to high-income groups. Their customers link being seen in such a branded café to the trendy lifestyle that they lead.

4. Fast food chain of restaurants, operated by companies or large corporations, which is estimated to have around 15% share of the total food service market. KFC today dominates the sector. Other major fast food restaurants include McDonald's, A&W, Burger Kings, Pizza Huts, etc are located strategically in large shopping malls all over Malaysia. Local franchised chains such as Marrybrown, Sugar Bun and Dave's Deli, which offer similar menus as the KFC and McDonald outlets, are also expanding rapidly. Competition among these quick service restaurants (QSRs) is intense with seventy percent of customers who patronize quick service restaurants are students in the "teen" market.
5. Hotels and resorts, which comprise about 1,700 hotels and other lodging houses, form a relatively small segment in Malaysia's food service market. Its share of the total market is estimated by trade sources at about 15% today, worth around US\$ 570 million. Importantly, the 3 to 5 star rated hotels, numbering less than 250 nationwide, operate restaurants that are key users of imported food and beverages. These 3 to 5 star hotels normally have more than three food and beverage outlets, e.g. a coffee house, a local Asian restaurant and a foreign restaurant, i.e. Western food or, in some cases, Japanese food, as well as at least one bar that is licensed to sell alcoholic drinks.

Food Processing Sector

Malaysia has a sizeable food manufacturing industry. Trade sources estimate the industry's total output in excess of US\$ 9 billion. In 2001, the industry exported around US\$ 3.7 billion of processed products. The Table below shows the production of major manufactured food products in Malaysia.

Production of Major Manufactured Food and Beverage Products (Tonnes/Litres)					
	1997	1998	1999	2000	2001
Sweetened condensed milk	174,673	154,096	165,119	156,766	149,878
Canned fish/seafood	34,598	35,459	34,754	35,819	40,103
Refined sugar	1,155,320	1,072,750	1,225,842	1,234,065	1,210,426
Biscuits	107,017	109,306	122,380	117,886	112,055
Soft drinks/carbonated drinks	513,347	418,362	351,317	403,129	501,564
Note: \$ value of production was not published. Source: Department of Statistics					

The Malaysian food and beverage manufacturing industry has a broader base than many of Southeast Asia's food and beverage processing industries. Most of the major foods processing companies are also involved in exporting their products to overseas markets. The following factors have contributed to the production diversity found in the industry today:

1. The presence of a wide range of high quality imported processed food and beverages because of the relatively low import duties on most of these products. This has stimulated the introduction of new foods to local production by local businesses seeking to benchmark imported products which have become popular with local consumers, e.g. biscuits, confectionery and snack products.
2. Malaysia's open trading environment has stimulated the extensive use of imported ingredients by its local food processing industry. This has enabled the industry to experiment and introduce a wide range of new processed.
3. Malaysia aims to be the international centre for "*halal*" food production. Malaysia's accreditation on *halal* (the product can be consumed by Muslims) products is highly respected and recognised by most Islamic nations. This allows Malaysian based companies to penetrate these markets with ease with their *halal* certified food and beverage products. This has created an opportunity for the food industry to produce *halal* certified foods and beverages targeted at the Muslim markets worldwide. Today, Malaysia has one of the widest ranges of processed *halal* foods in the world.
4. The government's campaign for consumers to "Buy Malaysian" products has encouraged the retail sector to carry more Malaysian produced food and beverage products. This has stimulated confidence in the industry with increased investment in R&D activities, increased introduction of new product range, expansion of the domestic market into both the retail and HRI sectors and entry into new overseas markets.
5. In addition, the Asian economic crisis has forced a large number of the companies to become more efficient in their operation. With increased competition for market shares, these companies have implemented cost saving exercises and consolidated their operations to be more competitive in the market. This included sourcing of ingredients from lower cost suppliers and, where possible, from domestic suppliers.

Various trade organizations such as the Federation of Malaysian Manufactures and the government agency, Malaysia External Trade Development Corporation (MATRADE) is aggressive in promoting, assisting and developing Malaysia's food industry for the export markets. Marketing seminars, workshops and training programs are routinely organized to improve international marketing skills and assist food processors in finding new markets overseas. The Malaysian Government has extended certain facilities such as the Export Credit Refinancing to marketing and exporting entities including trading houses to assist these small and medium enterprises to market and distribute their products overseas.

Participation in international food shows by Malaysian food processors has also brought about universal recognition of Malaysian ethnic foods such as "satay" (barbecue meat and sauce) and "roti canai" (pancakes). Local companies are encouraged to use franchising as a tool to expand their business.

SECTION IV. BEST HIGH-VALUE PRODUCTS PROSPECTS

Product Category	2002 Market Size	2002 Imports	3Yr. Avg. Annual Import Growth	Import Tariff Rate	Key Constraints Over Market Development	Market Attractiveness For USA
Poultry, mainly frozen	N/A	49,307 Tons	20% growth	No import duties are levied on poultry imports.	The local poultry industry is very strong. Malaysians generally prefer fresh poultry, which is widely available.	Niche retail demand exists for frozen turkey.
Breakfast cereals	N/A	4,416 Tons	Decline, mainly due to recent economic slowdown	5% duty charged except on products containing cocoa, which incur 10% duty.	Nestlé and Kelloggs breakfast cereals and their strengths in the market	An attractive market for long term development based on higher disposable incomes and related changing eating habits
Infant food, including dairy products	N/A	13,600 Tons	Decline, mainly due to recent economic slowdown	No import duties are levied on infant milk/food.	Food cultural barriers exist. Malaysian mothers appear to prefer cereal based infant foods. Locally prepared and packed dairy products of Nestlé, Dumex and Dutch Baby have a strong hold on the market.	The USA is already the major supplier for bottled infant food and the market is upgrading on the back of higher disposable incomes.
Snacks; potato and cereal based	N/A	2,324 Tons	11% growth per annum	0% to 20% duty is charged depending on product	Local products command a huge share of the market and are well	Attractive to stronger U.S. businesses willing to compete with

				on product type.	known by Malaysian consumers.	strong local businesses.
Fresh Vegetables, Temperate	280,924 Tons	275,416 Tons	Growth of about 4%	No import duty is charged	<p>Competition from key established suppliers from Australia, Indonesia and China.</p> <p>Competition also comes in the form of products from Malaysia's own highlands and some Asian countries.</p>	Demand for temperate vegetables will continue to rise on the back of rising disposable incomes. This will provide opportunities for U.S. suppliers able to compete with Australia, Indonesia and China.
Frozen vegetables	32,036 Tons	32,036 Tons	Around 6.% growth per annum	Nil except sweet corn which incurs 10%	Demand is not very varied and revolves around potatoes, peas, sweet corn and mixed vegetables.	<p>Good prospects exist for certain frozen vegetables supplied by the USA that are in demand from Malaysian consumers.</p> <p>Note: Food service demand is also important</p>
Fresh fruits, temperate	306,481 Tons	300,481 Tons	6% growth per annum	5% for strawberry, raspberry and gooseberry and 10% for other fruits except kiwi fruit which incur 30% import duty.	Few barriers exist for popular products such as apples, pears, oranges and grapes.	This is one of the most attractive market segments for the USA to develop. Demand for temperate fruits will rise on the back of rising disposable incomes.
Dried fruits	N/A	19,291 Tons	9% growth per annum	10% except for Dates, which incur no import duty.	Mature traditional demand exists except for dates which is growing	Attractive to U.S. suppliers with market driven approach to business with Malaysia.

					rapidly on the back of rising disposable incomes.	
Edible nuts	5,818 Tons	5,818 Tons	Marginal growth	Nil, except roasted groundnuts which incurs 20% import duty.	Major demand growth is from the food industry.	This market should not be ignored. The USA is already the major supplier and the market is upgrading on the back of higher disposable incomes.
Fruit juices	N/A	5,326 Tons	10% growth per annum	20% except for pineapple juice which incurs 30%.	The retail market for fruit juices is growing, the market is upgrading from cordials on the back of higher disposable incomes.	This market is likely to become more dynamic in future as Malaysians start to understand these products. Opportunities will exist for development by the U.S. pure juice suppliers
Wine	9 million liters	9 million liters	Growing market	RM 120.00 (about US\$ 32) per Decalitre for still wines. Sparkling wines incur RM 425.00 (about US\$ 112) per Decalitre. Sales tax is levied at 20%.	Duties on alcoholic drinks moderate consumption. Wine may have benefited from a switch from use of spirits, e.g. brandy, at celebrations, e.g. ethnic Chinese weddings.	This is an attractive market for U.S. exporters underpinned by increasing disposable incomes as well as the apparent switch away from spirits.

SECTION V. KEY CONTACTS AND FURTHER INFORMATION

If you have any questions or comments regarding this report or need assistance exporting high value products to Malaysia, please contact the Office of Agricultural Affairs at the U.S. Embassy in Kuala Lumpur at the following address:

Office of the Agricultural Affairs
U.S. Embassy - Kuala Lumpur
APO AP 96535-8152
Tel : (011-60-3) 2168-4985/2168-4884
Fax : (011-60-3) 2168-5023
email: agkualalumpur@fas.usda.gov

For more information on exporting U.S. agricultural products to other countries, please visit the Foreign Agricultural Service homepage: <http://www.fas.usda.gov>.

Malaysian Regulatory Agencies / Other Trade Contacts

Director
Veterinary Public Health
Dept of Veterinary Services,
8th Floor, Block A, Wisma Chase Perdana,
Off Jalan Semantan, Bukit Damansara,
50630 Kuala Lumpur
Tel : (011-60-3) 2094-0077/252-1854
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<http://agrolink.moa.my/jph>

Director
Food Quality Control Division
Ministry of Health Malaysia
3rd Floor, Block B, Komplek Pejabat Kesihatan
Jalan Cenderasari
50590 Kuala Lumpur
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Fax : (011-60-3) 2694 6517 / [Http://dph.gov.my](http://dph.gov.my)

Director General of Customs
Royal Customs and Excise Headquarters Malaysia
Ground Floor - 7th Floor, Block 11
Kompleks Pejabat Kerajaan
Jalan Duta, 50596 Kuala Lumpur
Tel : (011-60-3) 6551-6088
Fax : (011-60-3) 6551-2605
<http://www.customs.gov.my>

APPENDIX I. STATISTICS**A. KEY TRADE & DEMOGRAPHIC INFORMATION**

Agricultural Imports From All Countries (US\$Mil) / U.S. Market Share (%)	4,818 / 9%
Consumer Food Imports From All Countries (US\$Mil) / U.S. Market Share (%)	1,995 / 6 %
Edible Fishery Imports From All Countries (US\$Mil) / U.S. Market Share (%)	300 1%
Total Population (Millions) / Annual Growth Rate (%)	24.0/ 2.4%
Urban Population (Millions) / Annual Growth Rate (%)	13.0 / 4.5%
Number of Major Metropolitan Areas	9
Size of Middle Class (Millions) / Growth Rate (%) (estimate)	15 / 2.5
Per Capita Gross Domestic Product (US Dollars)	3,710
Unemployment Rate (%)	3.5%
Per Capita Food Expenditures (U.S. Dollars)	1000
Percent of Female Population Employed	44.2%
Exchange rate (US\$1 = X.X local currency)	US\$ = 3.8RM

TABLE B. Consumer Food & Edible Fishery Products

Malaysia Imports (In Millions of Dollars)	Imports from the World			Imports from the U.S.			U.S Market Share		
	2000	2001	2002	2000	2001	2002	2000	2001	2002
CONSUMER-ORIENTED AGRICULTURAL TOTAL	1375	1572	NA	131	148	NA	10	9	0
Snack Foods (Excl. Nuts)	42	55	NA	4	5	NA	9	8	0
Breakfast Cereals & Pancake Mix	14	10	NA	1	1	NA	6	12	0
Red Meats, Fresh/Chilled/Frozen	156	163	NA	3	3	NA	2	2	0
Red Meats, Prepared/Preserved	8	9	NA	2	2	NA	20	21	0
Poultry Meat	39	49	NA	2	2	NA	6	5	0
Dairy Products (Excl. Cheese)	299	370	NA	5	21	NA	2	6	0
Cheese	13	14	NA	1	1	NA	3	5	0
Eggs & Products	2	2	NA	1	1	NA	13	13	0
Fresh Fruit	93	101	NA	19	19	NA	21	19	0
Fresh Vegetables	173	199	NA	3	4	NA	2	2	0
Processed Fruit & Vegetables	105	105	NA	22	23	NA	21	22	0
Fruit & Vegetable Juices	12	14	NA	2	3	NA	14	20	0
Tree Nuts	10	9	NA	4	4	NA	37	40	0
Wine & Beer	17	19	NA	2	2	NA	12	10	0
Nursery Products & Cut Flowers	3	3	NA	1	1	NA	2	2	0
Pet Foods (Dog & Cat Food)	15	12	NA	3	3	NA	22	27	0
Other Consumer-Oriented Products	375	437	NA	59	56	NA	16	13	0
FISH & SEAFOOD PRODUCTS	292	319	NA	6	3	NA	2	1	0
Salmon	9	9	NA	1	1	NA	4	7	0
Surimi	1	6	NA	1	1	NA	8	2	0
Crustaceans	63	74	NA	2	1	NA	4	0	0
Groundfish & Flatfish	31	39	NA	1	1	NA	4	2	0
Molluscs	9	10	NA	1	1	NA	6	4	0
Other Fishery Products	180	180	NA	2	2	NA	1	1	0
AGRICULTURAL PRODUCTS TOTAL	3781	4025	NA	328	424	NA	9	11	0
AGRICULTURAL, FISH & FORESTRY TOTAL	4345	4611	NA	375	459	NA	9	10	0

Source: FAS' Global Agricultural Trade System using data from the United Nations Statistical Office

TABLE C. top 15 Suppliers of Consumer Foods & Edible Fishery Products**Malaysia - Imports**

CONSUMER-ORIENTED AGRICULTURAL TOTAL – (\$1000)				FISH & SEAFOOD PRODUCTS – (\$1000)			
	2000	2001	2002		2000	2001	2002
Australia	226794	239469	0	Thailand	87528	92810	NA
New Zealand	214284	235020	0	Indonesia	55172	74841	NA
China (Peoples Republic of)	154955	194371	0	China (Peoples Republic of)	13288	16221	NA
United States	130968	148062	0	Burma	17401	15860	NA
India	133299	132670	0	India	22400	15179	NA
Thailand	97001	109207	0	Taiwan (Estimated)	10588	12874	NA
Netherlands	66654	83703	0	Vietnam	10319	10001	NA
Indonesia	59138	74662	0	New Zealand	8921	9220	NA
Singapore	37564	51305	0	United Kingdom	5705	8465	NA
Philippines	12037	37943	0	Bangladesh	7043	7533	NA
Denmark	29688	33345	0	South Africa	7605	7073	NA
Germany	21467	29042	0	Japan	5219	4949	NA
Ireland	17996	23497	0	Mexico	2338	4855	NA
France	20107	21308	0	Australia	3680	4467	NA
United Kingdom	17878	17897	0	Norway	4517	4128	NA
Other	135589	140634	0	Other	29995	30182	0
World	1375465	1572164	0	World	291727	318659	0

Source: United Nations Statistics Division.